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DEPARTMENT OF NATURAL RESOURCES  
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July 27, 1994

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director

THRU: Lowell P. Braxton, Associate Director, Mining

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Board Reclamation Questions, Amount and Form of Replacement Surety, Energy Fuels Nuclear, Inc., Pandora Mine, M/037/012, San Juan County, Utah

The following information is provided in response to questions raised by the Board during its July 27, 1994 executive session, regarding the amount and form of replacement surety provided by Energy Fuels Nuclear for the Pandora Mine.

1. Does the topsoil salvaging variance (for prelaw disturbances) also apply to the proposed 4 acres of future waste dump expansion?

Yes, the original mining and reclamation plan approved by the Division in April of 1977, indicated that the pre-law disturbances and post-law proposed disturbance (up to the total 15 acres), would not be required to salvage and stockpile topsoil resources

I spoke with Mr. Bill Almas of Energy Fuels Nuclear following my Board presentation and he indicated that EFN would have no problem with salvaging any topsoil resources that may exist in areas of future expansion. He would be willing to send us a letter to that effect if it is necessary. He indicated that topsoil salvaging is part of their standard operating procedure regardless of what the existing plan from the previous operator might say.

2. Has the total 15 acres of projected surface disturbance been constructed yet?

No, the existing disturbance has recently been surveyed by the operator and new disturbed area maps provided with the permit transfer documents.

Existing disturbance at the Pandora Mine site is approximately 7.2 acres. Therefore, it appears that we are presently over-bonded by roughly 7.8 acres. At an average estimated reclamation cost of \$4780/acre, this amounts to approximately \$37,284 of excess surety at this time.

3. If topsoil salvage is not required, does the reclamation plan require supplemental soil amendments for the plant growth medium upon final reclamation?

Yes, please refer to page 3 of the Executive Summary, "After Operations", second paragraph, *If revegetation test plots show soil amendments significant in establishing vegetation, then amendments and other proven surface manipulation will be employed.*

During my telephone conversation with Mr. Almas this morning, he indicated that EFN routinely has the plant growth medium analyzed upon final reclamation to determine what it is deficient in and then incorporates the appropriate nutrients into the growth medium.

4. Does the existing reclamation bond estimate include costs for adding soil amendments to the plant growth medium if results of test plots prove this to be necessary?

Yes, please refer to page 2, of the Reclamation Estimate for Umetco Minerals Corporation, dated June 2, 1989 (Revised 10/2/89), under the Application Costs section. This section includes cost estimates for application of hay mulch and fertilizer (copy attached).

I believe this information should satisfy the outstanding questions raised by the Board such that EFN's replacement form and amount of surety can be approved for the Pandora Mine.